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Barriers and Incentives to Labour Force Participation, Australia

Factors that influence how people participate in the labour market and the hours they work

Reference period 2018-19 financial year

Released 28/08/2020

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Key statistics

- The most common reason women were unavailable start a job or work more hours within four weeks was 'Caring for children', while for men it was 'Long term sickness or disability'.
- The most important incentives for people to seek a job or more hours were those related to child-care access and costs.

Overview

Revised data now available

Since this page was originally published, the ABS has improved how key population groups are identified and presented to improve the usefulness of barriers and incentives data. Estimates for 2018-19 have now been revised and published in the 2020-21 issue. Please refer to the [latest issue \(/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release\)](/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release) for revised estimates.

The 2018-19 Multipurpose Household Survey (MPHS) revealed that of the 19 million people aged 18+ years:

- there were 10.5 million people who did not work full-time
- 17% not participating in the labour force would like a job
- 1 in 3 people working less than 16 hours would like to work more hours

Preference for more hours or work

	Employed		Not employed		Total
	Usually works 16-34 hours per week	Usually works fewer than 16 hours per week	Unemployed	Not in the labour force	
People aged over 18 years	2,741,500	1,160,500	600,300	6,066,400	10,568,700
Would like to work more hours / Would like a job	639,400 (23%)	396,800 (34%)	600,300 (100%)	1,044,100 (17%)	2,680,600
Did not want more hours / Did not want a job	2,102,000 (77%)	763,800 (66%)	-	5,022,300 (83%)	7,888,100

Wanted a job or preferred to work more hours

There were 2.7 million people who did not work full-time and wanted a job or preferred to work more hours. Determining whether these people wanted a job or were available to

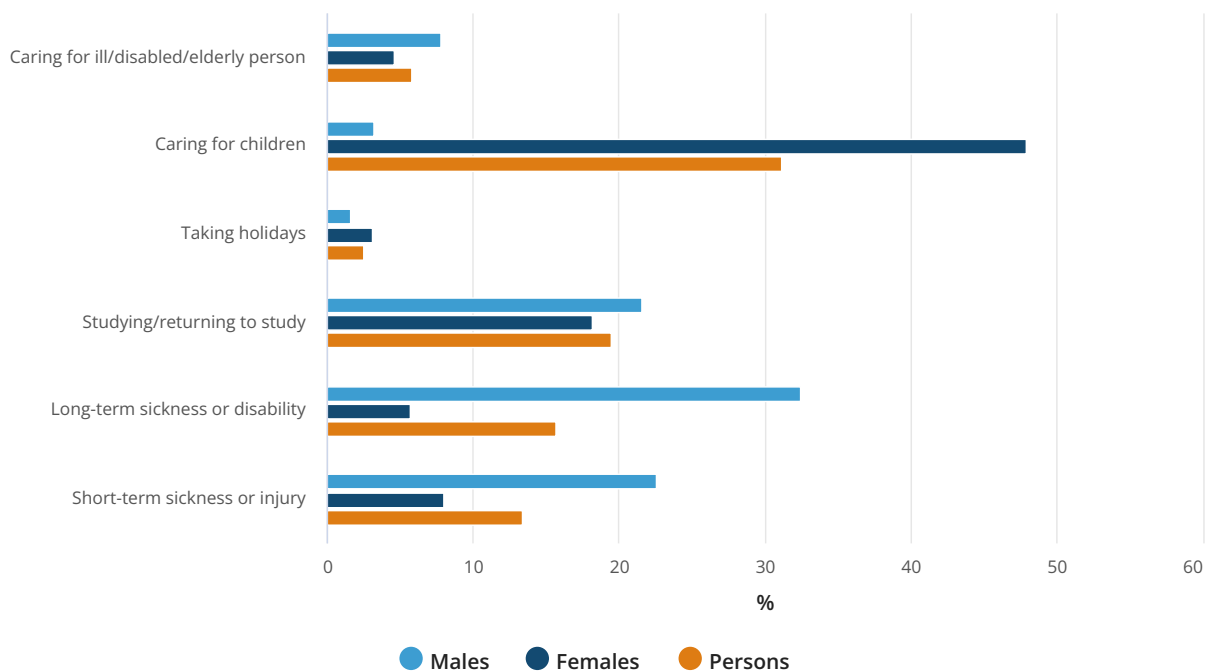
work more hours is important because those who are available have a greater potential to participate or increase their participation in the labour force than those who are not available.

Of the 2.7 million people who wanted a job or preferred to work more hours, most (2.3 million) were available to start within 4 weeks.

267,800 people were not available to start a job or work with more hours within four weeks.

- the main reason women were unavailable to start work was "Caring for children" (48%)
- the main reason men were unavailable to start work was "Long term sickness or disability" (32%)

Graph 1 - Main reason not available to start a job or more hours



Note: Availability refers to the reference week or within four weeks.

Difficulty finding a job or work with more hours

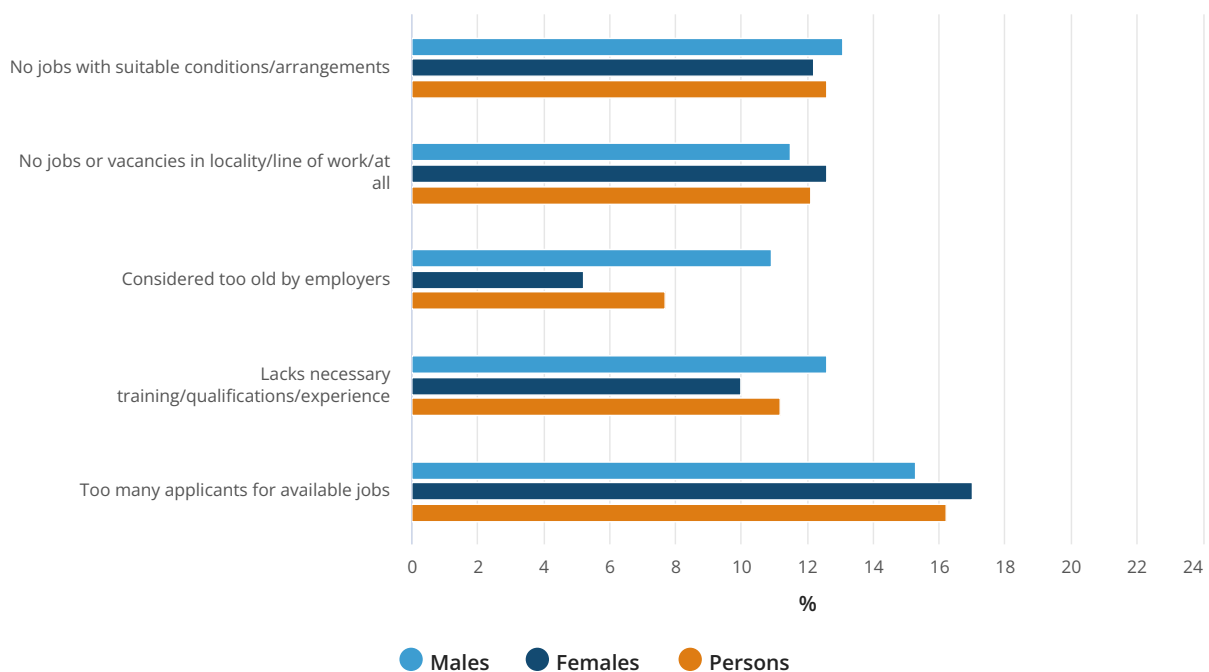
Of the 2.3 million people who wanted a job or more hours and were available to start, only

about half were actively looking for work (1.2 million).

The main difficulties reported for finding work or more hours included:

- Too many applicants for available jobs (16%)
- No jobs with suitable conditions/arrangements (13%)
- No jobs or vacancies in locality/line of work/at all (12%)

Graph 2 - Main difficulty in finding a job or more hours



Were available and looking for a job or more hours

There were 1.2 million people who wanted a job or work with more hours, were available and were looking, of whom:

- 600,300 (52%) people were classified as unemployed
- 67,600 (6%) were not in the labour force (these people were not classified as unemployed because they were not available to start work in the reference week, but were available to start within 4 weeks)

- 495,400 (42%) were employed and usually worked less than 35 hours

Incentives to join/increase participation in the labour force

Incentives to join/increase participation in the labour force were asked of people aged 18-75 years who were either:

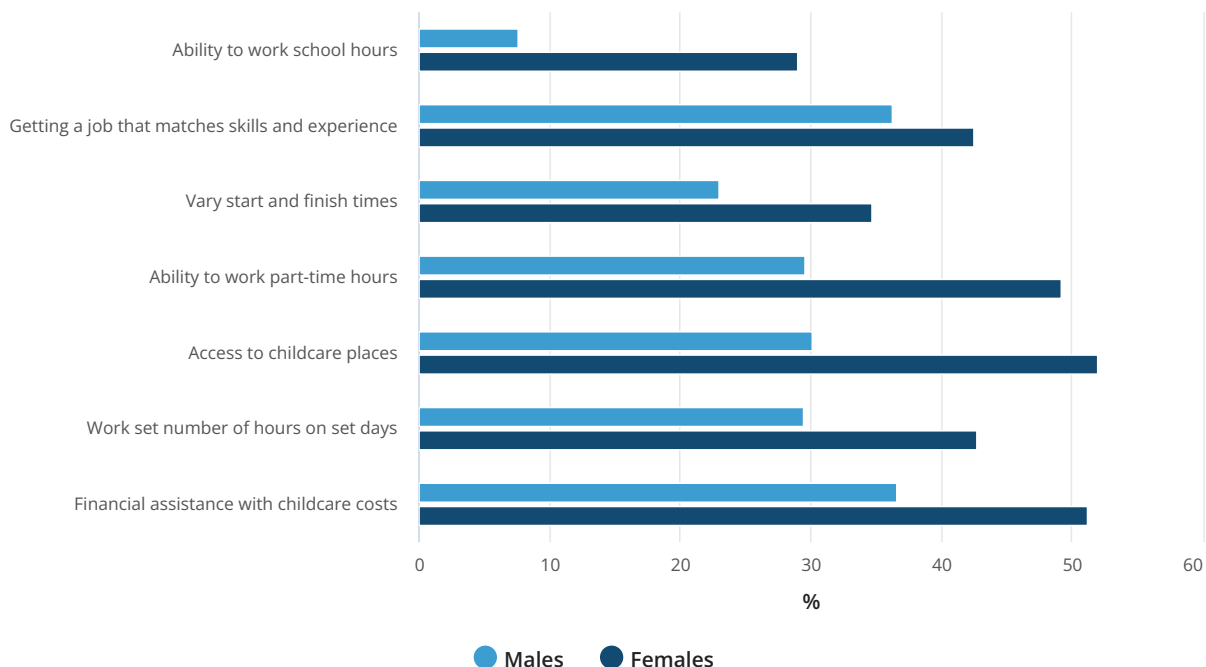
- Not in the labour force, excluding those permanently unable to work and those permanently retired
- Unemployed
- People who usually worked part-time (less than 35 hours)

Incentives that were rated as 'very important' included:

- Work related incentives
- Skill related incentives
- Childcare related incentives

The most important incentive for women was "Access to childcare place" (52% of women rates this as "very important") while for men it was "Financial assistance with childcare costs" (37% of men).

Graph 3 - Incentives to join/increase participation in the labour force



Note: Only includes incentives that were considered 'Very important'.

The most important incentives for people;

- Not in the labour force was "Financial assistance with childcare costs" (49% rated this "very important")
- Unemployed was "Getting a job that matches skills and experience" (66%)
- Employed was "Ability to work part-time hours" (52%)

Were available and not looking for a job or more hours

There were 1.1 million people who wanted a job or work with more hours, were available but were not looking. 62% of these people were women and they commonly reported that "Caring for Children" was the main reason for not looking for a job or work with more hours (85% compared to 15% for men).

Did not want a job or more hours

Approximately 7.8 million people who were not in the labour force or who worked fewer than 35 hours reported that they did not want a job or more hours.

The main reason people not in the labour force did not want a job included:

- Permanently retired from full-time work/will not work full-time again (37%)
- No need/satisfied with current arrangements/retired from full-time work (for now) (22%)
- Long-term sickness or disability (17%)

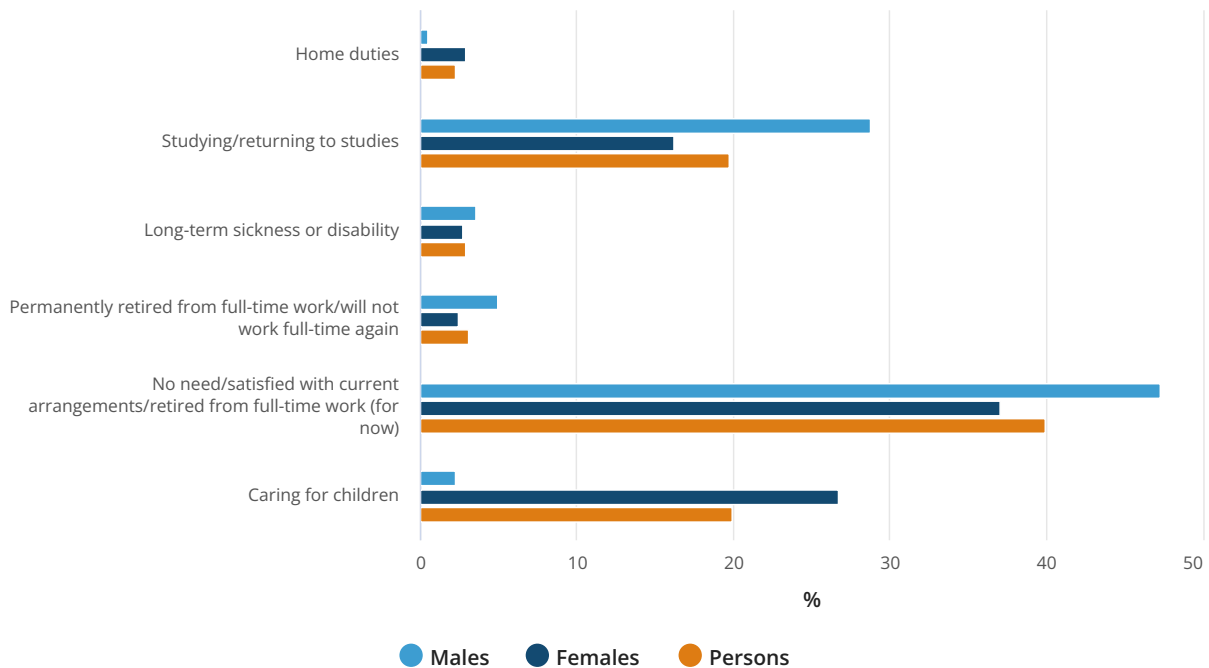
Graph 4 - Main reason people not in the labour force do not want a job



For people who usually worked part-time, the main reason for not wanting more hours included:

- No need/satisfied with current arrangements/retired from full-time work (for now) (40%)
- Caring for children (20%)
- Studying/returning to studies (20%)

Graph 5 - Main reason people working part-time do not want to work more hours



Conceptual framework

To understand potential barriers to increased labour force participation there are three groups of persons who are of particular interest:

- unemployed (600,300 persons);
- persons not in the labour force (6.1 million); and
- employed persons who usually worked less than 35 hours (3.9 million).

Persons not in the labour force includes persons who wanted a paid job and those who did not want a paid job.

The 2018–19 Multipurpose Household Survey (MPHS) revealed that of persons working between 16 and 34 hours, 639,400 persons preferred to work more hours and 613,300 persons were available to start work or more hours. For persons working less than 16

hours, 396,800 preferred to work more hours and 368,000 were available to start work or more hours. The Survey also revealed that of persons not in the labour force, 1.0 million wanted a paid job and 678,400 persons were available to start work.

The following conceptual framework identifies these groups of people.

► Image

► Description

- a. Estimates shown in the conceptual framework relate to the 2018-19 financial year.
- b. For exclusions see paragraph 7 on the Methodology page.
- c. Includes persons who reported "Did not know".
- d. Includes persons who reported "Maybe/It depends".
- e. Availability referred to reference week or within four weeks.
- f. These persons reported they did not look for more hours.
- g. These persons were not available to start work in the reference week so they are defined as not in the labour force rather than unemployed.

Changes in this issue

Weighting and rebenchmarking

From this issue, the Barriers and Incentives to Labour Force Participation (B&I) was weighted to benchmarks that were based on a 12 month average of population estimates across the financial year reference period (July 2018 to June 2019). These benchmarks included populations categorised by geography of usual residence, sex and age, as well as employed, unemployed and not in the labour force populations. They were sourced from the results of the Labour Force Survey (LFS) as reported in the December 2019 issue of [Labour Force, Australia \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/dec-2019\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/dec-2019).

Previously, population benchmarks were based on a single point in time instead of a 12 month average (December for the 2016-17 issue, and March for previous issues). Using a 12 month average removes the seasonality from the employed, unemployed and not in the labour force benchmarks and is more representative of the period of collection across the financial year.

Estimates from the LFS have been used as benchmarks for B&I since the 2014-15 issue, to improve coherence between the two publications. Previously, they were used in tandem with independent benchmarks from Estimated Resident Population (ERP). LFS estimates are

also benchmarked to ERP, and since 2015 have been revised and rebenchmarked on a quarterly basis to the latest population estimates. From this issue, B&I benchmarks are based solely on LFS estimates, since they already include the latest information from ERP.

TableBuilder

[Barriers and Incentives to Labour Force Participation 2018-19 microdata](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6238.0.55.001) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6238.0.55.001>) will be available 28th August 2020 via TableBuilder.

For more information see [About TableBuilder](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/About+TableBuilder) (<https://www.abs.gov.au/websitedbs/D3310114.nsf/home/About+TableBuilder>).

Perturbation

Barriers and Incentives to Labour Force Participation data in published outputs will no longer have perturbation applied, an approach consistent with other ABS Labour statistics publications.

Table name changes

In order to make the data easier to use, table names have been changed to shorter and more concise names that better describe the contents of each table. The content and the layout of each table has not changed.

Data downloads

Data item list

[!\[\]\(c50c8b7b2cc2cf9ff925edec0ee94c0d_img.jpg\) **Download XLSX**](#)
[\[763.62 KB\]](#)

Table 1. Labour force status by sex

[!\[\]\(9c2e8d1b5bd77cb5c9f83b7a9cff79fd_img.jpg\) **Download XLS**](#)
[\[477.5 KB\]](#)

Table 2. Whether wanted a job or more hours

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[\[735 KB\]](#)

Table 3. Occupation and industry of current or last job

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[\[404 KB\]](#)

Table 4. Unavailable workers and job seekers

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[\[376 KB\]](#)

Table 5. Main reason not looking for a job or more hours by sex

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[\[379 KB\]](#)

Table 6. Main reason not looking for a job or more hours by age

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[\[371.5 KB\]](#)

Table 7. Main difficulty in finding a job or more hours

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[\[363.5 KB\]](#)

Table 8. Not in the labour force by preferred number of hours

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[\[480.5 KB\]](#)

Table 9. Part-time workers by preferred number of hours

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[\[345 KB\]](#)

Table 10. Main reason for not wanting a job or more hours

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[\[451 KB\]](#)

Table 11. Main reason for not wanting a job by age

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[\[396 KB\]](#)

Table 12. Main reason for part-time workers not wanting more hours by age

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[\[405 KB\]](#)

Table 13. Incentives to participate by sex

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[\[363.5 KB\]](#)

Table 14. Incentives to participate by labour force status

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[\[386 KB\]](#)

Table 15. Whether would return to work and main reason

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[\[392.5 KB\]](#)

Table 16. Population by state or territory of usual residence

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[480 KB]

Questionnaire

↓ [Download XLSX](#)

[301.12 KB]

All data cubes

↓ [Download ZIP](#)

[1.58 MB]

Previous catalogue number

This release previously used catalogue number 6239.0.

History of changes

04/11/2022

Estimates for 2018-19 have been revised and published in the 2020-21 issue. Please refer to the [latest issue \(/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release\)](/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release) for revised estimates

Methodology

[Barriers and Incentives to Labour Force Participation, Australia methodology, 2018-19 financial year](#)